

# Fiscal Note

*Fiscal Services Division*



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**HF 392** – Plumbers Licensing Repeal (LSB 1260HV.1)

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Fiscal Note Version – As amended and passed by the House

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**Description**

**House File 392**, as amended and passed by the House, makes several changes to the Iowa Board of Plumbing and Mechanical Systems, including but not limited to following:

- Requires the Board to submit a report to the General Assembly each fiscal year that includes a three-year balance sheet projection. If the projected revenue exceeds expense projections by more than 10.0%, the Board is required to reduce the fee schedules so that projected revenues are no more than 10.0% higher than projected expenses. The revised fees are required to be implemented by January 1, 2013, and January 1 of each subsequent year.
- Codifies the Board's current practice of providing a 30.0% discount for combined licenses.
- Establishes license fees of \$50 each for an initial apprentice and journeyman's license and \$125 for an initial master license for calendar years (CY) 2011 and 2012.
- Requires the Board to waive fees for all licenses renewed from January 1, 2011, through December 31, 2012.
- The Bill provides for a refund for any renewed license thus far in CY 2011. If an initial license was purchased in CY 2011 and before the enactment of the Bill, the licensee will be refunded the difference of the license fee paid and the fees set in **HF 392**.
- Changes the licensing period from two years to three years for all licenses under the purview of the Board.

**Background**

Currently, licenses are issued by the Board on a biennial basis and the fees are as follows:

	<b>Current</b>		<b>Proposed CY 2011-2012</b>	
<b>Apprenticeship</b>	\$50	Biennial	\$50	Initial
<b>Journeyman</b>	\$100	Biennial	\$50	Initial
<b>Master</b>	\$250	Biennial	\$125	Initial

If a licensee purchases more than one license at a time it is called a combined license. The fee for a combined license is the sum total of each of the separate license fees reduced by 30.0%. This current practice is codified in **HF 392**. All fee revenue generated is retained by the Board to fund their operations.

**Assumptions**

- Carryforward of approximately \$4.4 million from FY 2010 will be the only source of revenue to the Board, with the exception of fees from new licenses, until renewal fees are accepted once again in the last three months of FY 2013.
- An estimated 1,150 new licenses will be issued annually in FY 2011, FY 2012, and FY 2013 for additional revenue each year of \$79,000.
- The estimated annual budget for the Board is approximately \$1.3 million.

**Fiscal Impact**

There is no impact to the General Fund. The Board retains fees charged to licensees to fund its operations. The provisions of [HF 392](#), as amended and passed by the House, will decrease revenue to the Board for FY 2011, FY 2012, and FY 2013. However, it is estimated that approximately \$725,000 will still be available by the time the next round of renewals occur in March of 2013.

**Source**

Department of Public Health

/s/ Holly M. Lyons

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April 4, 2011

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The fiscal note for this bill was prepared pursuant to **Joint Rule 17** and the correctional and minority impact statements were prepared pursuant to Code **Section 2.56**. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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